

Sugar Weekly Report

January 20 - 24 2020



24-Jan-20											
	24-Jan-20	17-Jan-20	24-Dec-19	Weekly Var.	Monthly Var.		24-Jan-20	17-Jan-20	24-Dec-19	Weekly Var.	Monthly Var.
NY #11	14.39	14.45	13.37	↓ -0.06	↑	USD Index	97.88	97.64	97.68	↑ 0.25	↑ 0.20
London #5	401.3	399.8	359.1	↑ 1.5	↑	USDBZL	4.18	4.16	4.08	↑ 0.02	↑ 0.10
NY#16	25.76	25.85	25.87	↓ -0.09	↓	USDINR	71.32	71.08	71.27	↑ 0.24	↑ 0.05
Front White Premium	84.1	81.2	64.3	↑ 2.8	↑	EURUSD	1.10	1.11	1.11	↓ -0.01	↓ -0.01

Market Situation at a Glance

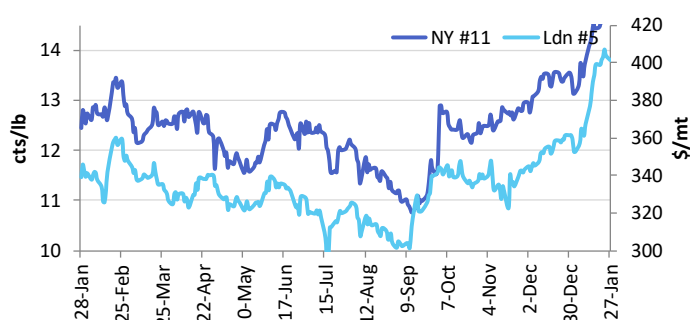
International Prices			
	24-Jan-20	17-Jan-20	Weekly Var.
Sugar			
NY #11	14.39	14.45	↓ -0.06 cts/lb
Front Spread	0.07	0.05	↑ 0.02 cts/lb
London #5	401.30	399.80	↑ 1.50 \$/mt
Front Spread	4.50	3.90	↑ 0.60 \$/mt
White Premium	84.06	81.23	↑ 2.82 \$/mt
USD Index	97.88	97.64	↑ 0.25
USDBZL	4.18	4.16	↑ 0.02 R\$/
USDINR	71.32	71.08	↑ 0.24 RUP/\$
RUBUSD	62.04	61.54	↑ 0.50 RUB/\$
EURUSD	1.10	1.11	↓ -0.01 \$/EUR
S&P500	3,295	3,330	↓ -34.15
DJ Industrial Avg	29,160	29,298	↓ -137.55
Light Crude Oil	54.2	58.8	↓ -4.61 \$/Barrel
Corn	386.8	389.5	↓ -2.75 cts/Bushel
Wheat	571.8	571.0	↑ 0.75 cts/Bushel
Coffee (Arabic)	110.6	112.0	↓ -1.40 cts/lb

Domestic Markets

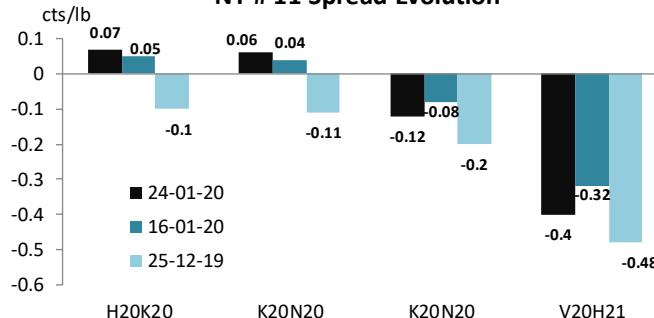
	24-Jan-20	17-Jan-20	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	60.17	60.13	↑ 0.04	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	76.11	73.48	↑ 2.63	R\$/50kg
Esalq Sugar (US\$)	18.20	17.66	↑ 0.55	cts/lb
Hydrous Ethanol (NY#11 equiv.)	15.08	15.19	↓ -0.11	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	15.72	15.87	↓ -0.15	cts/lb
Ethanol/Gasoline in S. Paolo	24-Jan-20	17-Jan-20	Weekly Var.	Unit
Ethanol	3,061	3,073	↓ -12	R\$/l
Gasoline	4,399	4,425	↓ -26	R\$/l
Ethanol/Gasoline Parity	69.6%	69.4%	↑ 0%	
Anhydrous from US Parity	90.33	100.85	↓ -10.51	USD/M3
Anhydrous to US Parity	-282.84	-294.48	↑ 11.64	USD/M3
India	24-Jan-20	17-Jan-20	Weekly Var.	Unit
S-Grade (Kolhapur)*	31,510	31,759	↓ -249	RUP/mt
M-Grade (Kolkatta)*	34,905	34,762	↑ 143	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



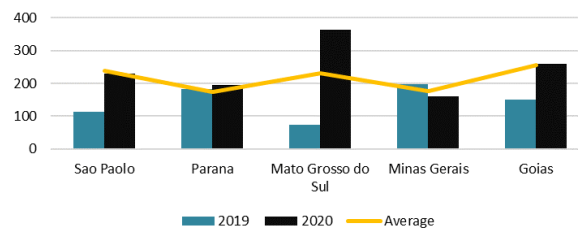
	24-Jan-20	17-Jan-20	Weekly Var.	Unit
China				
ZCE Front Month	5,675	5,847	↓ -172	RMB/mt
ZCE Front Spread	-11	0	↓ -11	RMB/mt
Northern Spot Cash	Rizhao 6,280	6,280	↑ 0	RMB/mt
Southern Spot Cash	Liuzhou 5,950	5,950	↑ 0	RMB/mt
USA	24-Jan-20	17-Jan-20		
No #16	25.76	25.85	↓ -0.09	cts/lb
#16/11 Spread	11.37	11.40	↓ -0.03	cts/lb
EU				
EU 45s containers	50	50	↑ 0.0	\$/mt ov Ldn
Russia				
Price in Krasnodar	327	330	↓ -2.7	\$/m3

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CS Brazil Rainfall

January rains in CS Brazil



Indian: Post-Monsoon Rains

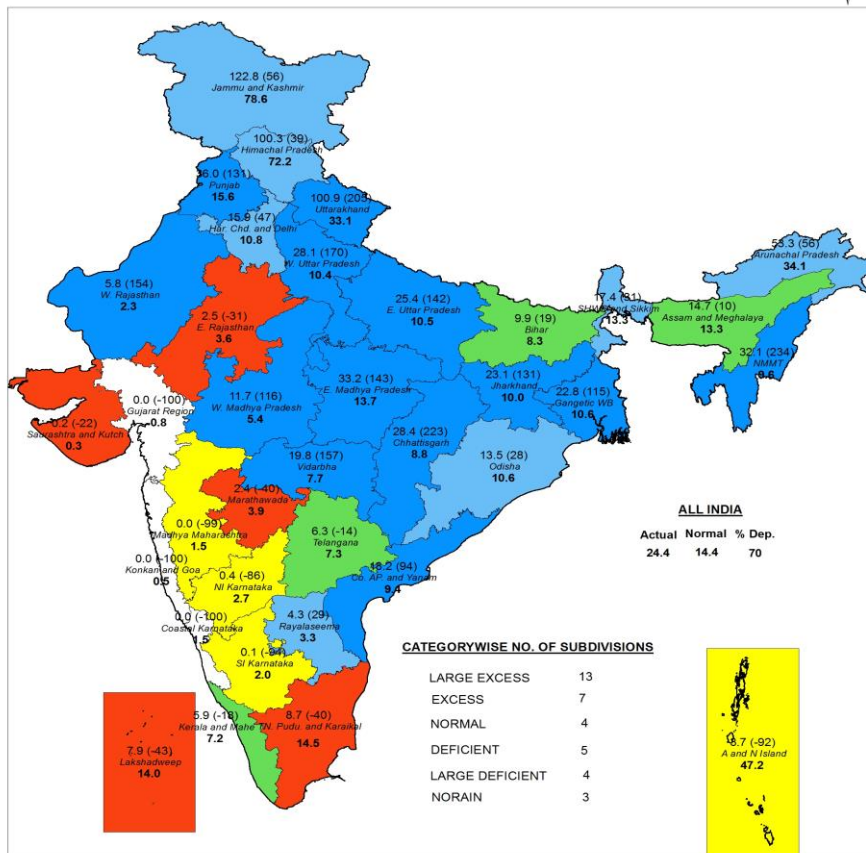


भारत मौसम विज्ञान विभाग
INDIA METEOROLOGICAL DEPARTMENT

जन मौसम विज्ञान प्रभाग, नई दिल्ली
HYDROMET DIVISION, NEW DELHI

SUBDIVISION RAINFALL MAP

Period : 01-01-2020 To 27-01-2020



Legend

Large Excess [60% or more] Excess [20% to 59%] Normal [-19% to 19%] Deficient [-59% to -20%] Large Deficient [-99% to -60%] No Rain [-100%] No Data

NOTES :

- Rainfall figures are based on operation data.
- Small figures indicate actual rainfall (mm), while bold figures indicate Normal rainfall (mm).
- Percentage Departures of rainfall are shown in brackets.

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- **NY Flat price:** prices continue to rally, March contract reached the highs of 14.9 cts/lb, closing at 14.39 cts/lb Friday, down from 14.45 a week earlier.

- **NY Spreads:** March/May spread rallied to 15 points inverse last week, closing the week at 7- points inverse.

- **London market:** March/March White Premium traded above \$80/mt last week, \$2-3/mt stronger than a week earlier. May/May White Premium raised to \$82/mt last week.

- **COT report:** COT report from January 21 showed that specs increased their net-long positions to 111.6k lots, up 30.4k lots week on week. Index funds were buying as well– they increased their net-long positions by 12k lots to 251.5k lots. Finally, commercials were selling in the strength, adding 42.3k lots of net-shorts and now they are net-shot 363.1k lots.

NY #11 March contract



BULL

- ▶ Australian production 2020/21 will not recover this season.
- ▶ Pakistan sugar production is struggling and could fall below 5 million mt this season.
- ▶ Refineries in Indonesia are running out of sugar, creating a shortfall on the internal market.



BEAR

- ▶ Oil prices have decreased during last week and the ethanol prices on the forward curve are now below sugar.
- ▶ Weak Brazilian Real is playing into the hands of sugar production, especially with producers who are hedging forward.

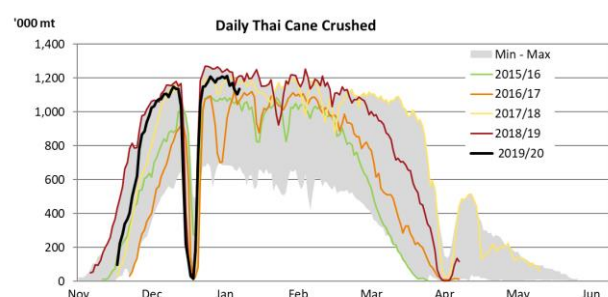
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Thailand: Production Update

	20.01.20	2018/19	2019/20	VAR
Cane crush		51,209,835	43,757,531	↓ - 7,452,304
Total sugar		5,113,694	4,476,995	↓ - 636,699
Whites		327,472	458,506	↑ 131,033
Refined		707,365	541,816	↓ - 165,550
Raws		4,008,743	3,382,212	↓ - 626,530
Extraction rate		9.99%	10.23%	↑ 0.25%
Mills operating		57	57	

- ▶ Thailand crushed 43.8 million mt of cane by January 20, 7.5 million mt lower than last season.
- ▶ Daily crushing rate is slightly below the record of last season, but still remains high at 1.1 million mt/day.
- ▶ Sugar production reached 4.5 million mt, down 640k mt year on year.
- ▶ The drop in production is mainly for raw sugar: 3.4 million mt produced vs 4 million mt last season.
- ▶ Total cane crush is expected to drop below 100 million mt, from 131 million mt last season.

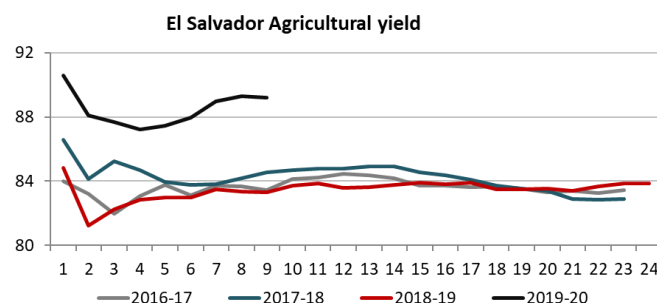


El-Salvador: Production Update

- ▶ By January 20, mills in El-Salvador harvested cane from 43.8k ha, slightly up year on year.
- ▶ Cane crush was at 2.8 million mt, similar to last season.
- ▶ Sugar production dropped 16k mt year on year to 295k mt, due to lower industrial yields.

El Salvador	2018/19	2019/20	Var.
Area	43,478	43,842	↑ 364
Cane crushed	2,809,072	2,834,361	↑ 25,288
Sugar production	310,669	294,952	↓ - 15,717
Whites	92,139	69,726	↓ - 22,413
Raws	218,530	225,226	↑ 6,696
Industrial yields	11.06%	10.41%	↓ -0.65%
Ag yields	83.3	89.2	↑ 6

- ▶ There is slightly more raws produced than last season – 225k mt.
- ▶ Agricultural yields are performing much stronger than last season - almost 90 mt/ha compared with 83 mt/ha last year.
- ▶ Total production could reach 820k mt this season.



Mexico: Production Update

Mexican crush update			
	2017/18	2018/19	y-o-y
Harvest (Ha)	196,495	165,170	↓ -31,325
Cane yield (Mt/Ha)	80.2	75.7	↓ -4
Crushing cane (Mt)	15,753,606	12,501,941	↓ -3,251,665
Sugar (Mt)	1,552,826	1,190,726	↓ -362,100
Sugar extraction (%)	9.86%	9.52%	↓ -0.003

- ▶ Mexico harvested 165.2k ha, down 31k ha year on year.
- ▶ Cane crushing reached 12.5 million mt, down 3 million mt year on year due to slow harvesting.
- ▶ Sugar production reached 1.2 million mt, down 360k mt year on year. Total production is expected to be around 5.7 million mt.

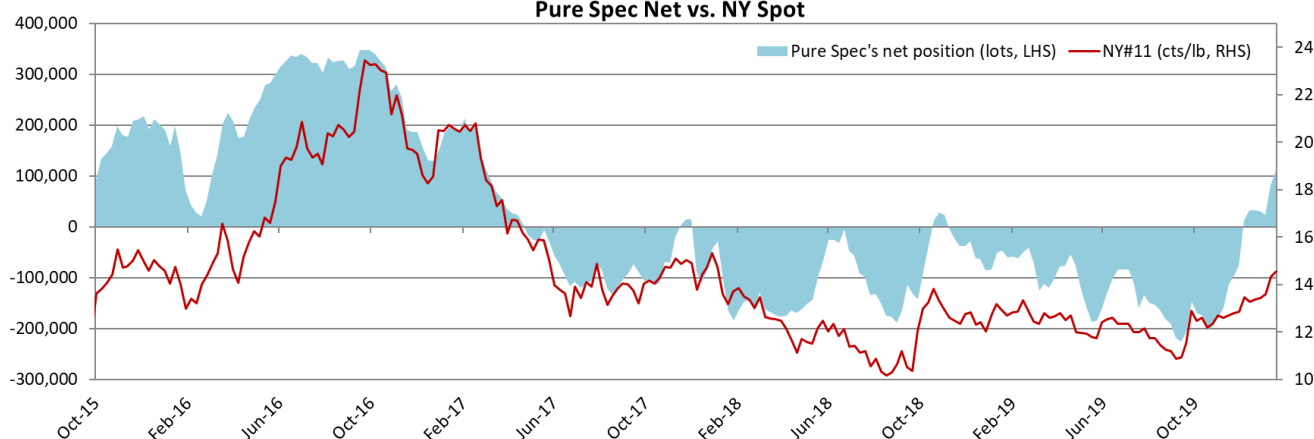
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COT RECAP

Date	Spot Price	Specs net positions (i)-(ii)	Specs gross longs (i)	Specs gross shorts (ii)	Index traders net positions	Commercials net positions (iii)-(iiii)	Commercials gross longs (iii)	Commercials gross shorts (iiii)	OI
03-12-19	12.86	-76,158	221,129	297,287	218,887	-142,729	392,204	534,933	1,160,086
10-12-19	13.46	13,556	252,084	238,528	223,599	-237,156	381,080	618,236	1,207,617
17-12-19	13.27	33,079	249,985	216,906	227,906	-260,986	356,750	617,736	1,169,175
24-12-19	13.37	32,553	245,041	212,488	234,030	-266,583	363,803	630,386	1,170,963
31-12-19	13.42	30,673	245,621	214,948	229,433	-260,106	369,153	629,259	1,167,028
07-01-20	13.59	23,241	241,393	218,152	232,729	-255,969	380,881	636,850	1,182,058
14-01-20	14.32	81,205	267,169	185,964	239,514	-320,719	423,683	744,402	1,324,060
21-01-20	14.55	111,584	285,596	174,012	251,482	-363,065	421,981	785,046	1,356,234
Lastet Change	0.23	30,379	18,427	-11,952	11,968	-42,346	-1,702	40,644	32,174

Pure Spec Net vs. NY Spot



Wilmar Grower Marketing Team

PJ Gileppa (07) 4722 1924 | 0437 297 978
Franco Zaini (07) 4722 1954 | 0419 476 770

Chris Winship (07) 4722 1986 | 0437 669 118
Yolanda Hansen (07) 4722 1956 | 0439 002 240

Angus McKerrow 0419 238 536

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